

Message Text

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ACTION AF-06

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TO SECSTATE WASHDC 8478

AMEMBASSY LONDON

C O N F I D E N T I A L ACCRA 4780

E.O. 11652: GDS

TAGS: EINV GH

SUBJ: INTERPRETATION OF GHANAIAN INVESTMENT POLICY

DECREE, 1975

REFS: (A) ACCRA 2782 (B) LONDON 11379

1. SITUATION NOT MUCH CHANGED SINCE REFTEL A, EXCEPT THAT IMPLEMENTING COMMITTEE AND COMMISSION RECENTLY APPOINTED. HOWEVER, CLARIFICATIONS, RULINGS, AND PRECEDENTS STILL AWAITED.

2. PETROLEUM MARKETING COMPANIES SPECIFICALLY LISTED IN SECOND SCHEDULE AS AMONG THOSE FIRMS WHICH, UNDER SECTION 6, MUST ACQUIRE AT LEAST 40 PERCENT GHANAIAN (NOT NECESSARILY STATE) OWNERSHIP. ON OTHER HAND, VALCO CLEARLY FALLS UNDER SECTION 13, FIRMS "PROCESSING BAUXITE OR ALUMINA OR BOTH," WHICH CALLS FOR MAXIMUM RPT MAXIMUM OF 30 PERCENT STATE OWNERSHIP, AS DETERMINED BY NATIONAL REDEMPTION COUNCIL (NRC)

3. WE HAVE NO REASON TO BELIEVE THAT PETROLEUM MARKETING COMPANIES WILL BE EXEMPTED FROM OPERATION OF DECREE, AND MOBIL AND TEXACO (THE TWO US FIRMS INVOLVED) OPERATING ON ASSUMPTION THEY MUST COMPLY.

4. VALCO IS A DIFFERENT MATTER, BOTH BECAUSE OF
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WORDING OF SECTION 13 AND OF ITS LONG-TERM MASTER

AGREEMENT WITH GOG, WHICH PROVIDES FOR CONTINUED FULL FOREIGN OWNERSHIP. WE, AND APPARENTLY ALSO VALCO, BELIEVE THAT NRC WOULD BE VERY RELUCTANT TO DISTURB PROVISIONS OF MASTER AGREEMENT, THUS JEOPARDIZING AN ARRANGEMENT BENEFICIAL TO ALL AND ALSO CALLING INTO QUESTION GOG BONA FIDES IN MEETING OBLIGATIONS AND ATTRACTING INVESTMENT. THEY GAVE THEMSELVES AN OUT, OF COURSE, BY PROVIDING FOR STATE PARTICIPATION TO BE UP TO A MAXIMUM; AFTER ALL, ZERO PERCENT WOULD QUALIFY. OUR GUESS IS THAT THE NRC WILL SIMPLY LET IT GO AT THAT, WITHOUT BOTHERING TO INVOKE SECTION 33 (SPECIFIC EXEMPTION IN WHOLE OR PART BY COMMISSIONER FOR FINANCE -- ACHEAMPONG -- WITH APPROVAL OF NRC) FOR VALCO.
BLACK

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